

FOWLER, Mr. BAKER of California, Mr. OBERSTAR, Mr. CLEMENT, and Mr. POSHARD.

From the Committee on the Judiciary, for consideration of section 901 of the Senate bill, and section 430 of the House amendment, and modifications committed to the conference: Mr. HYDE, Mr. MCCOLLUM, and Mr. CONYERS.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1909. A communication from the Secretary of Housing and Urban Development, transmitting pursuant to law, the semi-annual reports for the period April 1 through September 30, 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC-1910. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding a transaction involving exports to Ghana; to the Committee on Banking, Housing, and Urban Affairs.

EC-1911. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement regarding a transaction involving exports to Indonesia; to the Committee on Banking, Housing, and Urban Affairs.

EC-1912. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the Monetary Policy Report; to the Committee on Banking, Housing, and Urban Affairs.

EC-1913. A communication from the Managing Director of the Federal Housing Finance Board, transmitting, pursuant to law, the report of salary ranges for graded employees for calendar year 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC-1914. A communication from the Acting Chairman of the Thrift Depositor Protection Oversight Board, transmitting, pursuant to law, the semi-annual report of the Office of the Inspector General for the period October 1 through December 31, 1995; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

H.R. 782. A bill to amend title 18 of the United States Code to allow members of employee associations to represent their views before the United States Government.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 219. A resolution designating March 25, 1996 as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. AKAKA:

S. 1585. A bill to authorize award of a medal to civilians who participated in the

defense of Pearl Harbor and other military installations in Hawaii against attack by the Japanese on December 7, 1941; to the Committee on Armed Services.

By Mr. COHEN (for himself and Ms. SNOWE):

S. 1586. A bill for the relief of Nancy B. Wilson; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. BURNS, Mr. DOLE, Mr. PRESSLER, and Mrs. MURRAY):

S. 1587. A bill to affirm the rights of Americans to use and sell encryption products, to establish privacy standards for voluntary escrowed systems, and for other purposes; to the Committee on the Judiciary.

By Mr. STEVENS:

S. 1588. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Kalypso*; to the Committee on Commerce, Science, and Transportation.

By Mr. GORTON (for himself and Mr. LIEBERMAN):

S. 1589. A bill to provide for a rotating schedule for regional primaries for Presidential elections, and for other purposes; to the Committee on Rules and Administration.

By Mrs. MURRAY (for herself, Mr. LEAHY, Mr. BAUCUS, Mr. BUMPERS, and Mrs. FEINSTEIN):

S. 1590. A bill to repeal the emergency salvage timber sale program, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO:

S.J. Res. 50. A joint resolution to disapprove the certification of the President under section 490(b) of the Foreign Assistance Act of 1961 regarding foreign assistance for Mexico during fiscal year 1996; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself, Mr. BURNS, Mr. DOLE, Mr. PRESSLER, and Mrs. MURRAY):

S. 1587. A bill to affirm the rights of Americans to use and sell encryption products, to establish privacy standards for voluntary escrowed systems, and for other purposes; to the Committee on the Judiciary.

THE ENCRYPTED COMMUNICATIONS PRIVACY ACT OF 1996

Mr. LEAHY. Mr. President, I am joined today by Senators BURNS, DOLE, PRESSLER, and MURRAY in introducing a bill that is pro-business, pro-jobs and pro-privacy.

The Encrypted Communications Privacy Act of 1996 would enhance the global competitiveness of our high-technology industries, protect the high-paying good jobs in those industries and maximize the choices in encryption technology available for businesses and individuals to protect the privacy, confidentiality and security of their computer, telephone, and other wire and electronic communications.

The guiding principle for this bill can be summed up in one sentence: Encryption is good for American business and good business for Americans.

FBI Director Louis Freeh testified last week at a hearing on economic espionage and quoted Secretary of State Warren Christopher as saying that "Our national security is inseparable from our economic security." I could not agree more. Yet, American busi-

nesses are suffering a double blow from our current encryption policies. First, American firms lose billions of dollars each year due to the theft of proprietary economic information, which could be better protected if strong encryption were more widely used. Second, government export restrictions tie the hands of American high-technology businesses by barring the export of strong encryption technology. The size of these combined losses makes encryption one of the critical issues facing American businesses today.

Moreover, the increasing use of and dependency on networked computers by Americans to obtain critical medical services, to conduct research, to be entertained, to go shopping and to communicate with friends and business associates, raises special concerns about the privacy and confidentiality of their computer transmissions. I have long been concerned about these issues, and have worked over the past decade to create a legal structure to foster privacy and security for our wire and electronic communications. Encryption technology provides an effective way to ensure that only the people we choose can read our communications.

A leading encryption expert, Matt Blaze, told me in a recent letter that our current regulations governing the use and export of encryption are having a "deleterious effect on our country's ability to develop a reliable and trustworthy information infrastructure." It is time for Congress to take steps to put our national encryption policy on the right course.

The Encrypted Communications Privacy Act would accomplish three goals:

First, the bill encourages the use of encryption by legislatively confirming that Americans have the freedom to use and sell here in the United States any encryption technology that they feel is most appropriate to meet their privacy and security needs. The bill bars any government-mandated use of any particular encryption system, such as a key escrow encryption system.

Second, for those Americans who choose to use a key escrow encryption method, the bill establishes privacy standards for key holders and stringent procedures for how law enforcement can obtain access to decoding keys and decryption assistance. These standards would subject key holders to criminal and civil liability if they released the keys or divulged the identity and information about the user of the encryption system, without legal authorization. Commenting on these provisions, Bruce Schneier, who has literally written the textbook on encryption, said in a recent letter to me that the bill "recognizes the special obligations of keyholders to be vigilant in safeguarding the information entrusted to them, without imposing hurdles on the use of cryptography."